



Consumer Advocacy Officer Annual Report

Prepared and Submitted to the 89th Iowa General Assembly
January 14, 2022

I. Background

The Consumer Advocacy Officer (Consumer Advocate) was established in 2008 under Iowa Code section 505.8, subsection 6, paragraph “b” and requires an annual report on the activities and statistics of the Consumer Advocate. This report is filed in compliance with the annual report requirement.

The Consumer Advocate for the Iowa Insurance Division (IID) is Sonya Sellmeyer. The Consumer Advocate provides fair assistance to consumers in all lines of insurance and investment business under the authority of the IID.

II. 2021 Activities

The functions of the Consumer Advocate include aiding consumers with inquiries, complaints, appeals, health insurance rate reviews, conducting insurance industry studies, education, and outreach to Iowa consumers, and recommending cases for administrative action. To further these functions, the work of the Consumer Advocate in 2021 focused on the following activities.

A. Consumer Complaints, Inquiries, Appeals, and 515D hearing requests

The Consumer Advocate assists consumers directly with complaints, inquiries, phone calls, and emails with questions or problems with insurance, securities, and regulated industries. The IID’s Market Regulation Bureau is the front line for investigating consumer insurance complaints. If a consumer requests an additional review of a complaint decision, the Consumer Advocate handles the additional review and renders an opinion. The Consumer Advocate may also investigate a new complaint upon discretion. During 2021, the consumer advocate handled the following cases:

Thirty consumers appealed to the Consumer Advocate for additional complaint reviews covering health, life, property and casualty, long-term care, and preneed insurance. The Consumer Advocate also initiated six cases as inquiries and two as assisting our Market Regulation Bureau. The Consumer Advocate also initiated two cases based on company market conduct concerns.

Furthermore, in 2021 the Consumer Advocate continued to mediate all requests for a hearing under Iowa Code §515D Automobile Insurance Cancellation Controls. Per §515D.10 any named insured on an auto policy who has received a statement of cancellation, or an insurer’s intent not to renew a policy, may, within fifteen days of the receipt or delivery of a statement of reason, may request a hearing before the

Commissioner of Insurance. To reduce the number of hearing requests being set for hearing, the Consumer Advocate has been assisting all involved parties to mediate the cancellation or non-renewal issue. The Consumer Advocate resolved all six 515D requests for a hearing with the company and/or consumer without the scheduling of a hearing.

In 2021, the Consumer Advocate did not initiate any new administrative actions.

Please see Appendix A for a summary of the consumer complaints handled by the Insurance Division’s Market Regulation Bureau by the line of insurance.

B. The Individual Health Insurance Market Rate Review Process Iowa Code §505.19

The Consumer Advocate participated and assisted consumers with their notice and hearing rights associated with individual marketplace health insurance, and “grandfathered” or “transitional” individual health insurance policy rate increases. Iowa law provides for a policyholder's right of notice and public hearing when a rate increase request by a company is above the average annual health spending growth rate (as established by the Centers for Medicare and Medicaid Services). The health insurers requesting rate increases that met this criterion in 2021 of 5.4% included the following:

Company Name	Percentage of Increase Requested	Approximate Affected Policyholders
Wellmark, Inc. Pre-ACA	3.6% to 5.9% with an average increase of 4.7%	38,000
Wellmark Health Plan of Iowa (WHPI) Pre-ACA	0% to 10% with an average increase of 10%	850
Golden Rule Insurance Company Pre-ACA	Average increase of 25%*	2,000
Wellmark Health Plan of Iowa (WHPI) ACA	3.8% to 21% with an average increase of 11%	36,000

*After a review by the IID health team, a consulting partner, and Golden Rule, the proposed rate increase was revised to 9.5%.

The Consumer Advocate's role in the qualifying rate hearing process is to solicit consumer comments regarding the proposed rate increase and to share the received comments with the public and Commissioner of Insurance during the public hearing. A total of ninety-one comments were submitted by consumers during the proposed 2021 rate hearing process, up from fifty-three comments last year. The public hearing regarding the rate increases was held on August 28, 2021, at the IID and was available online via Zoom, which allowed affected members of the public from across Iowa to participate in the public hearing without driving to one central location. Twelve consumers attended the hearing in person and sixteen participated via Zoom. Almost everyone in attendance provided comments on how the rate increase would affect their situation or the situation of those that may have a policy. All reports on the public comments and testimony received on the proposed rate increases were provided to Commissioner Ommen and remain available for public review at [the Division website](#).

C. Studies

Annually, and as required by Iowa Code §505.18, the Consumer Advocate conducts a health care data call to collect information regarding the costs and quality of health care insurance readily available to the consumer. The report provides aggregate health insurance data concerning loss ratios of health insurance carriers licensed to do business in the state, rate increase data and history, health care expenditures and how they affect health insurance premium rates, factors that result in higher and lower costs, medical trends affecting health insurance rates in the state, and any additional data appropriate to provide the governor and general assembly with pertinent health insurance cost information.

The annual health care cost [report](#) was submitted on November 15, 2021, to Governor Reynolds and the Iowa Legislature.

D. Outreach and Education

Connecting with Iowans is essential to educate all consumers about insurance and investment products, in addition to protecting them from becoming victims of fraud. In 2021, the IID expanded our consumer educational outreach and the Consumer Advocate participated and assisted with the organization and promotion of these programs.

Middle and High School Students

Financial literacy helps middle and high school students take a positive step toward a financially successful future. In 2021, the IID sponsored a "Funding the Future" live stream event at the Denison Middle School, and four in-person "Funding the Future" events were held during the fall semester at middle and high schools in Bellevue, Underwood, Ventura, and Ames for a total of approximately 1,380 students. At the events, the musical artist Carter Husley performed and then spoke to students about the importance of starting savings habits early, controlling spending with a budget, and how credit scores work.

Dimes, Dollars & Decisions from the National Theater for Children (NTC) is also sponsored by the IID. This program uses professional actors to engage middle and junior high students through a series of improvisational comedy sketches to teach the difference between wants versus needs, the difference between debit and credit cards, all about investing, and the importance of a savings habit. During the fall 2021 semester, NTC reached 5,551 Iowa middle school students, by visiting forty-one schools and performing forty-seven shows. Their programs received great reviews from students and teachers. NTC also provided schools with an e-learning packet which included student workbooks, teacher guides, and activities so educational content could continue after the assembly.

The IID also continues to financially sponsor EVERFI's online financial literacy program for teachers and students in Iowa high schools. During the 2020-2021 academic year, the IID's support of EVERFI's educational resources reached 18,606 Iowa high school learners, for 50,777 hours of learning at 311 schools. The IID again sponsored EVERFI's second National Financial Bee this spring. Iowa students ages 13-18 participated for a chance to win a \$10,000 scholarship by completing five financial modules and writing a capstone essay. Three hundred and eight Iowa students started the modules and thirteen capstone essays were submitted. The IID is helping ensure that Iowa's youth are developing the skills for financial capability which leads to long-term financial well-being that benefits all Iowans.

The Consumer Advocate is also the IID's representative at the Iowa Inter-agency Financial Literacy Group which is a cohort within Iowa state government that promotes, identifies, and coordinates the financial literacy efforts of state agencies. The group generates efficiencies, fosters communication, promotes collaboration, and shares best practices that positively impact all Iowans.

The IID and the Consumer Advocate will continue involvement in all these important financial literacy education programs to ensure their outreach to Iowa's middle and high school youth.

Adults

The Consumer Advocate is also assisting with Iowa Fraud Fighters presentations, a joint agency effort to educate and protect older Iowans about how to avoid being the victim of fraud. In 2021, the IID held four in-person Fraud Fighter events. The events were held in Altoona, Clinton, Cedar Falls, and Decorah reached 485 elder Iowans. At the events, attendees learned how to shield their investments and savings from scammers. The Iowa Attorney General's office and the Senior Health Insurance Information Program (SHIIP) were partners with the IID regarding the webinars. This year we also included local law enforcement to relay stories of frauds happening in their community. The Consumer Advocate also did one in-person Fraud Fighter event for approximately fifteen residents of an assisted living facility. The Fraud Fighter website continues to be a source of information regarding fraud with a total of 43,963 sessions.

To assist in the fight against fraud, the Consumer Advocate trained directors from the AmeriCorps Retired Senior Volunteer Program (RSVP) to present the Iowa Fraud Fighter's presentation to local organizations on our behalf. This allows the Fraud Fighter platform to reach a wider audience with greater protection of Iowa consumers against fraud. In 2021, the IID continued its contracts with eight RSVP chapters and the Consumer Advocate trained fifteen volunteers to do Fraud Fighter presentations to interested local groups. The RSVP program participation represents volunteer community members looking out for their fellow Iowans by educating and bringing about fraud awareness.

The IID continued its development of our retirement security initiative with our [Save4Later Iowa](#) initiative. This website is free to all Iowans at any age or stage of their financial journey to retirement. The Save4Later website contains educational videos, action guides, calculators, and educational courses which will set in motion your knowledge on subjects as simple as budgeting to how to make your money last through retirement. The purpose of the website is to offer Iowans a sales-free source of information to help plan, earn, save, and ultimately retire in a financially sound manner. There were 39,316 sessions on the Save4Later website and 6,875 consumers clicked into at least one of the free courses offered since the end of August. Free courses consumers were most interested in were building financial resilience, financial foundations, and financial caregiving.

With the launch of Save4Later, the IID recognized that many State of Iowa employees may need financial wellness education as well. In 2020, the Insurance Division applied for and was awarded a \$100,000 grant from the National Association of State Treasurers (NAST) to educate all current state of Iowa employees and retirees about financial wellness and the vital role it plays in our overall health. The grant paid for the expansion of the Save4Later website to over 400 courses exclusively for state employees, retirees, and their families. With the awarding of the grant, the Insurance Division ran the program from February to September 2021. A total of [1,456 users took 3,714 courses](#) during the grant period. The most popular courses were on retirement, financial planning, and budgeting. Incentives were offered for the number of courses completed and some friendly competition took place between state departments. The Iowa Correctional Institution for Women completed 501 financial literacy courses over the grant period, the most of any state agency, and won lunch from a local food truck. Financially literate state employees may pass this valuable information to the consumers they serve.

The IID also launched a woman-focused retirement education program called [SmartHer](#) money website with hopes to have an in-person conference. Unfortunately, the in-person conference was postponed until 2022. The website has had 16,566 sessions since its launch this summer and contains financial information every woman needs to know.

The IID also continued its Financial Fitness Challenge (Challenge) administered by the Financial Fitness Group. The Challenge is offered to employers and organizations so they may offer free and unbiased financial wellness and education classes to their employees. In 2021, fifty employers/organizations participated reaching 2,775 users. Users completed 6,260 courses for an average knowledge change of 23%.

The Consumer Advocate continued the [“Consumer Connection”](#) electronic newsletter started in December 2019. The “Consumer Connection” educates consumers on issues such as protection against fraud, long-term care insurance, basic insurance information, and retirement planning and security. Additionally, Sioux City AM Radio KSCJ regularly has the Consumer Advocate on to discuss the most recent Consumer Connection on the evening “Drivetime Live” show.

E. Additional Consumer Protection Functions

Based on the current complaint and inquiry trends, it is evident that the ever-changing world of insurance and investments requires additional education and outreach with the public. Those education initiatives are a priority for the Consumer Advocate.

Our aging population is also of concern to the Consumer Advocate as this population segment continues to be victimized by financial and investment fraud. One of the Consumer Advocate's main objectives for 2022 continues to be the protection of one of our most valuable assets, Iowa's elders, by increasing awareness about fraud and scams through educational efforts and a return to face-to-face discussions with Iowa consumers.

Recommendations

A. Legislation and Administrative Rules

The IID is introducing two bills this legislative session with important consumer protection issues addressed. The first IID bill on preneed funeral purchase agreements provides greater disclosure protections for consumers. A second bill focuses on insurance company filings with the Division. These filings by insurance companies allow the Division to better monitor the financial condition of a company and would keep the National Association of Insurance Commissioners' accreditation of the Iowa Insurances Division, and ensure Iowa insurance carriers doing business in the UK and EU are not subject to Solvency II requirements, better understand an insurance group's financial risk profile for purposes of enhancing policyholder protections and assess and monitor as a whole industry-wide liquidity risk. The Consumer Advocate is in support of all these vital consumer and company protections.

The Consumer Advocate will continue working with all areas of the IID throughout 2022 to file legislation and administrative rules as needed.

III. Conclusion

The work of the Consumer Advocate exists to represent and aid Iowa's policyholders and investors. The Consumer Advocate and those who work to serve consumers within the Division, thank the Legislature for this opportunity. Upon request, additional information will be provided on any of the consumer activities of the Consumer Advocate or any other consumer function of the IID.

Sincerely,

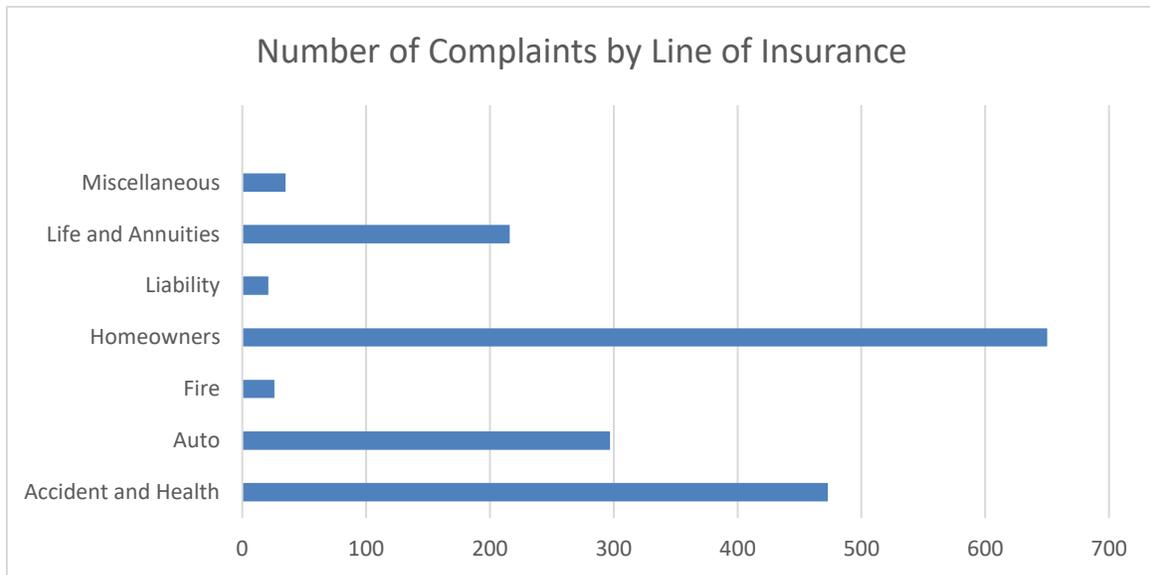
A handwritten signature in black ink that reads "Sonya M. Sellmeyer". The signature is written in a cursive style with a large, looped 'S' at the beginning.

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Appendix A: 2021 Complaint Statistics for Iowa

The following statistics reflect the 2021 closed cases of the Market Regulation Bureau of the Iowa Insurance Division per Iowa Code §505.8(6)(b)(6)(c).

Complaints Handled by the Iowa Insurance Division Market Regulation Bureau by Line of Insurance



2021 Insurance Closed Complaints for Iowa and Surrounding States

Closed Iowa Complaints	Closed Minnesota Complaints	Closed Missouri Complaints	Closed Nebraska Complaints	Closed South Dakota Complaints	Closed Wisconsin Complaints
1716	2986	2569	925	441	2077